


NEIGHBORHOOD PLANNING FOR COMMUNITY REVITALIZATION



A CONSORTIUM PROJECT OF: Augsburg College; College of St. Catherine; Concordia University; Hamline University; Macalester College; Metropolitan State University; Minneapolis Community and Technical College; Center for Urban and Regional Affairs (CURA) at the University of Minnesota; University of St. Thomas; and Minneapolis community and neighborhood representatives.

CURA RESOURCE COLLECTION

**Center for Urban and Regional Affairs
University of Minnesota
330 Humphrey Center**

**Stevens Square Community
Organization Economic Development
Study**

**Prepared by
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Conducted on behalf of the Stevens Square Community Organization
January, 2005**

*This report (NPCR 1223) is also available on the CURA website:
www.cura.umn.edu/search/index.php*

Stevens Square Community Organization
Economic Development Study
Final Report

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Steven's Square Community Organization
January 10, 2005

ACKNOWLEDGEMENT/DISCLAIMER

January, 2005

Neighborhood Planning for Community Revitalization (NPCR) supported the work of the author of this report but has not reviewed it for publication. The content is solely the responsibility of the author and is not necessarily endorsed by NPCR.

NPCR is coordinated by the Center for Urban and Regional Affairs at the University of Minnesota. NPCR is supported by grants from the U.S. Department of Housing and Urban Development's East Side Community Outreach Partnership Center, the McKnight Foundation, Twin Cities Local Initiatives Support Corporation (LISC), the St. Paul Foundation, and The St. Paul.

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Stevens Square Community Organization Economic Development Study Final Report

By Parker Cohen and Theresa Drey

Purpose of Study:

Our purpose is to take steps towards making the Nicollet Avenue corridor in Stevens Square more economically viable. We aimed to find out which types of business development would be most effective in the community, and liked by the residents. We also set out to market the neighborhood for business development, especially to acquire a grocery store.

Methods:

We created a survey for the residents of the community to complete. The goal of the survey was to discover the consumption patterns of the residents, as well as to see which types of businesses they would want built in their neighborhood. We also set out to find out which improvements the residents would like to see in the neighborhood, and which improvements would make them want to shop more in the neighborhood.

We also researched the results of past market area studies of Stevens Square. From this research, we have created a packet for the community organization to send to businesses. In this packet, we have included what we believe are the best selling points for the neighborhood.

Results of Survey

We received 152 surveys from the residents of Stevens Square. The surveys were taken unscientifically, with about 60% coming from door to door questioning and about 40% from neighborhood meetings and building meetings. We believe that we got a good sampling from the community consisting of residents of all socioeconomic backgrounds.

In response to the first question, asking the respondent which grocery store he shopped at, 70% responded that they shopped at the lower cost grocery stores (Cub, Rainbow, or SuperValu), while 30% stated that they shopped at higher end grocery store chains or co-ops (Wedge, Lunds, Kowalski's). This shows that the neighborhood probably could support a higher end grocery store, with 30% of the respondents suggesting that they shop at these stores; however, the vast majority say they prefer cheaper, larger grocery stores. In the second question, asking about the desired price range of groceries, interestingly, 50% wanted a store with low prices only, while the other 50% suggested that they were willing to pay moderate prices for higher quality items.

The third question of the survey asked about the type of selection that the shopper would look for in a grocery store; 35% of the respondents replied that standard selection in a grocery store is fine, while 50% preferred a store with high quality produce and meats, and the other 15% wanted a wide variety of organic options.

When given a list of possible businesses that could come to their neighborhood (American Restaurant, Clothing Shop, Laundromat, Video Store, Copy Store, Bank/ATM, Ethnic Restaurant, Grocery Store, Music Venue, Stationary/Card Shop, Coffee Shop, Fast Food, Bookstore, Ethnic Grocery Store, Dry Cleaner, Pharmacy,

Salon/Spa, and Bakery), by far the most popular business was a grocery store. Nearly all respondents wanted a new grocery store in their neighborhood. The next 4 most popular businesses were pharmacy, bakery, bank, and bookstore. It is clear that there is very wide support for a new grocery store in this neighborhood, and they also want basic services that might be lacking such as pharmacies and banks.

Residents of the community also showed clear support for locally-owned businesses over chain-operated stores; 80% indicated they wanted new development to be locally owned, while the remaining 20% supported chain shops.

The final question of the survey was an open-ended response question, asking residents what improvements they'd like to see be made on Nicollet Avenue in their neighborhood. Many of the respondents replied that there were not any improvements needed or they could not think of anything. Those who did respond listed safety, lighting, and cleanliness as their top concerns. Other popular responses were requests for bike lanes on Nicollet and a bus shelter.

Grocery Stores

One of the main goals at the beginning of the project was to determine an appropriate grocery store for the neighborhood and to study the best approaches to encourage a grocer to locate in the area. Our neighborhood survey confirmed that the top priority of the residents for retail development is a grocery store. A few grocers, including SuperValu and Kowalski's, have opened stores in one location on Nicollet in the neighborhood, but their stores were unsuccessful and forced to close. Because of the addition of new condominiums in Stevens Square, we believed that a new store could be successful at this time.

A discount grocer is one choice for the area, because many of the residents surveyed expressed that low prices are important to them. The neighborhood would be a good choice for a discount grocer because of the relatively low income of the residents and the high density population. One consideration is Aldi, which is fairly new to the Twin Cities market. This company operates relatively small stores and sells a limited number of closeout items. The stores offer products at very low prices and rely on high turnover. A given store will rarely have the same product assortment two weeks in a row. About midway through the study, an Aldi store opened on East Franklin Avenue in the Phillips neighborhood, which makes it unlikely that the company would open a store in Stevens Square. Another possibility is Sav-A-Lot, which is a SuperValu chain that operates with a concept very similar to that of Aldi.

Stevens Square's chances of securing a grocery store for the neighborhood have been further threatened by the recent announcement that Lund's plans to open two stores in downtown. These stores will not provide easy-access for Stevens Square residents, but it is unlikely that another traditional grocer will choose to locate in the neighborhood after the Lund's announcement.

Although a traditional grocery store seems unlikely at this point, it may still be possible to convince some type of food retailer to move into the neighborhood. Trader Joe's, which is a California-based grocery chain that offers gourmet and unique foods, is looking for potential sites within the Twin Cities. This chain would be an excellent fit within the neighborhood because it provides special types of foods at low prices. The company typically chooses locations in more upscale urban neighborhoods, but may be persuaded by the neighborhood's young, trendy population. Because this would be a

unique store that is new to the market, it may be able to attract some of the daytime working population in downtown.

If a full grocery store seems unlikely, it may be possible to offer at least some fresh food options through smaller retailers. Many of the residents expressed interest in having a bakery in the neighborhood. Other possibilities include a small meat market or produce shop.

Limitations

There were many limitations to this study, the first being time. We started the project on October 20 and had to complete all the portions of it by December 20. This gave us two months including two breaks, fall and Thanksgiving. We were also limited by the recent announcement that two Lund's stores are going to open in downtown Minneapolis, neither of which are within walking distance for our neighborhood's residents. The announcement of these two stores moving in makes it much less likely that Stevens Square will be able to attract an ample grocery store. Since we spent much of the time researching possible grocery store opportunities and attempting to create a plan of persuasion for these stores, this news made much of the work we had done moot. We were, however, able to satisfactorily complete the survey section of the project, and we have created a good packet for the neighborhood group to use to lobby businesses.

Why You Should Locate Your Business in Stevens Square

There are a multitude of reasons to locate your business in the Minneapolis neighborhood of Stevens Square. It is a youthful, up and coming area with a lot of new investment in the neighborhood; it features beautiful old buildings next to brand new luxury apartments and condominiums. Here are some reasons to locate your business in Stevens Square:

- The Addition of Several New Luxury Condominiums
 - 200 new units are coming up in Stevens Square
 - The average selling price of these units is about \$200,000
 - Residents moving in are young, upper-middle class professionals
 - This is a very attractive demographic, and most of the new residents indicated they intend to shop at businesses in the neighborhood.
- Great Walking Neighborhood
 - Less than 50% of the neighborhood's residents own vehicles
 - These residents will largely patronize local businesses because of the ease afforded by the proximity.
 - Even those that do own vehicles indicate they would rather avoid parking troubles elsewhere by shopping in the neighborhood.
- High Density of Housing
 - High concentration of residents in a small neighborhood
 - Neighborhood has high purchasing power
 - If good businesses came to their neighborhood, the rewards could be great as they have a highly concentrated market that wants to spend their money in their neighborhood.
- Proximity to Downtown and Eat Street
 - The neighborhood is only blocks away from the amenities of downtown
 - Downtown Minneapolis has a daytime working population of around 160,000 people
 - Eat Street is a very popular dining corridor with a high concentration of ethnic restaurants, and it also borders Stevens Square.
 - Anyone traveling to downtown or Eat Street has a good chance of passing through Stevens, and your new business could make Stevens Square a destination like Eat Street.

- Youthful Population
 - Nearly all of the residents of Stevens Square are between 18-49
 - This young demographic provides ample opportunity for a wide range of services to meet the many needs of these residents
 - Younger population is more willing to spend money on convenience and luxury items.
- New businesses already moving in
 - A new CVS Pharmacy is about to be built on Franklin Avenue in Stevens Square
 - The addition of strong retailers such as CVS indicates that the area is growing and becoming a more attractive retail destination.
 - Bring your business here before its too late; don't miss this opportunity!
- Availability of space
 - Sites are available throughout the neighborhood ranging anywhere from a few thousand square feet to over 100,000 square feet.
 - Contact us for specific site information, and we will work with you to find a site that meets your needs.

For your convenience we have included several pieces of information about the neighborhood. Attached to this document you will find maps and demographic information about the community from the 2000 census. Please keep in mind that many of these demographics will see an upward shift with the addition of the new condominiums in the neighborhood. For this reason, we have also included a summary sheet of the new housing development within the neighborhood. We hope this information is helpful as you consider locating your business within our neighborhood. Thank you for taking the time to consider Stevens Square, and feel free to contact us with any questions. We are looking forward to hearing from you!

New Housing Developments in Stevens Square - Loring Heights

Lofts on Arts Avenue

1817-1829 3rd Avenue South

Brighton Development Corporation

36 units of owner-occupied housing, 18 market-rate and 18 affordable-rate, priced from \$70,000 - \$280,000. Opened 2004.

Third Avenue Place - Phase I

1725-1728 18th Street East

Crockett & Associates

22 market-rate condominiums priced from \$165,900 - \$379,900. Opened 2004, one unit still available.

<http://www.3rdavenueplace.com/>

Third Avenue Place - Phase II

18th Street East & Clinton Avenue

Crockett & Associates

32 market-rate condominiums priced from \$199,000 - \$270,000. Occupancy expected fall 2005. Several units are already reserved.

<http://www.3rdavenueplace.com/2/>

Greenleaf Lofts

2000 Nicollet Avenue

Master Civil & Construction Engineering

Mixed-use retail/home-ownership. Includes 27 market-rate flats and lofts priced from \$145,000 to \$365,000.

<http://www.greenleaflofts.com/>

The Franklin Lofts

111 Franklin Avenue East/2007 Stevens Avenue South

Lupe Development Partners, LLC

Lupe has proposed a 54-unit owner-occupied development in the former Ramar Building. Additionally, six town home-style condominiums will be located in a former parking lot on Stevens Avenue. The units are priced from \$115,000 - \$235,000. The project is nearing completion and most units are already purchased.

<http://www.thefranklinlofts.com/>

CVS Pharmacy Development

Franklin Avenue East and First Avenue South

Bear Creek Capital

Mixed-use retail/housing development to include CVS Pharmacy and two other retail units as well as 54 condominiums. Located between Franklin Lofts and Greenleaf Lofts. Groundbreaking is expected in late spring.

Fife Pointe at Pleasant

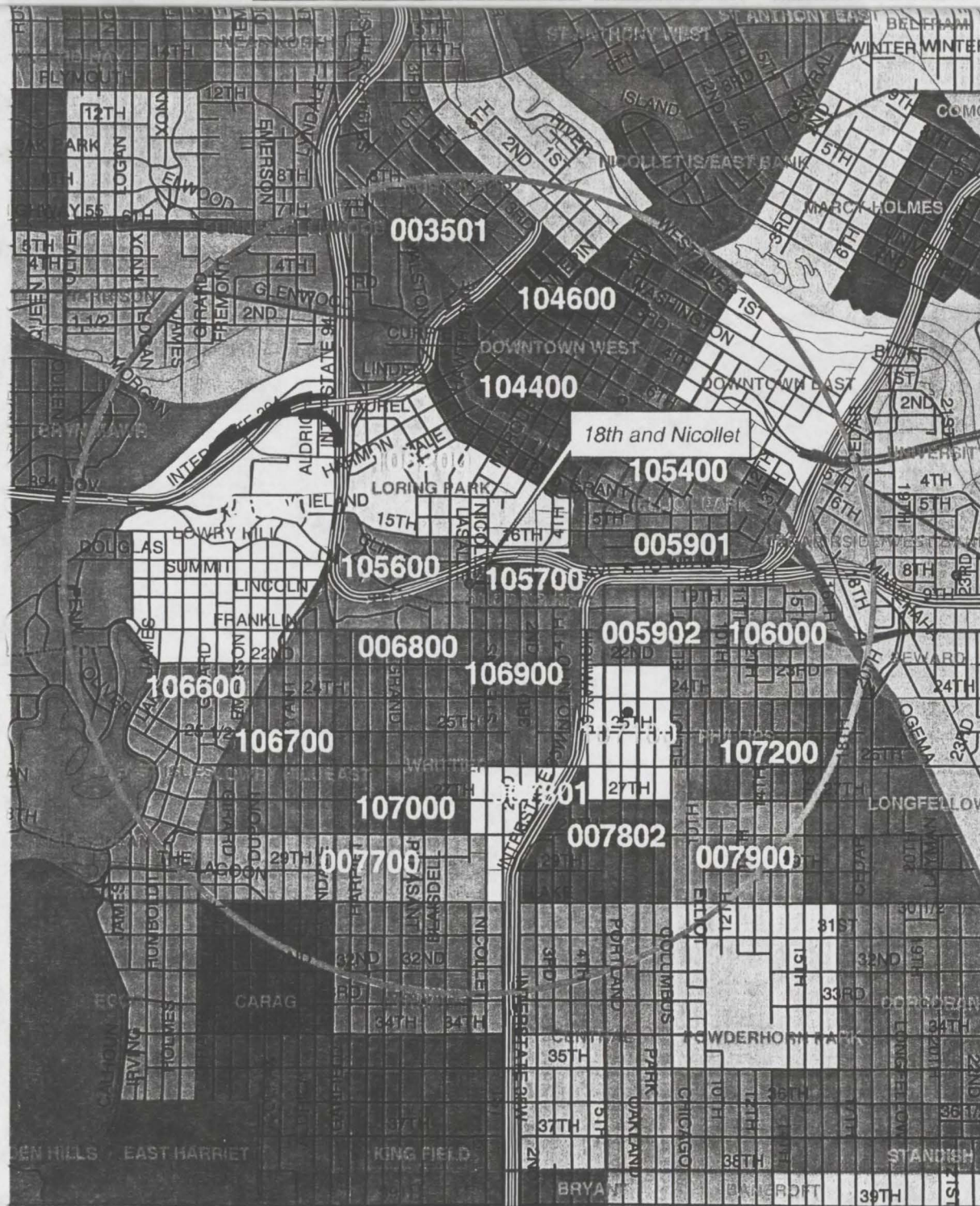
1926 Pleasant Avenue South

Zan Properties

The Fife Pointe building is being renovated to accommodate 9 upscale condominiums.

The units are priced from \$289,900 - \$499,900.

<http://www.fifepointe.com/>



Stevens Square-Loring Park Neighborhood

Area Study Three Mile Diameter centered at 18th Street and Nicollet Avenue

Tract#	Median Income
003501	\$ 21,771
005901	\$ 17,230
005902	\$ 21,601
006800	\$ 29,313
007700	\$ 28,464
007801	\$ 27,417
007802	\$ 23,708
007900	\$ 25,147
104400	\$ 38,125
104600	\$ 35,754
104700	\$ 45,313
105200	\$ 31,388
105400	\$ 19,505
105500	\$ 47,097
105600	\$ 27,002
105700	\$ 21,477
106000	\$ 17,500
106600	\$ 52,264
106700	\$ 33,852
106900	\$ 28,299
107000	\$ 28,043
107100	\$ 17,083
107200	\$ 31,130

City Planning Department
Research and Strategic Planning Division
May, 2003

Source: 2000 Census





Greater Twin Cities
UNITED WAY

Stevens Square Loring Heights Neighborhood City of Minneapolis

Racial Breakdown, 2000

White	2,611	(66.1%)
Black	687	(17.4%)
American Indian or Alaska Native	73	(1.8%)
Asian/Pacific Islander	116	(2.9%)
Hispanic*	456	(11.6%)
Multi-Racial	248	(6.3%)
Other	213	(5.4%)

Total Population **3,948**

*The Hispanic category includes both white Hispanics as well as Hispanics of color, who are already counted in other racial categories, and not included in the overall total.

Household Composition, 2000

Average household size	1.46
Percent of households with children	6.1%
Percent of households that are single-parent families with children under 18	4.0%

Characteristics of Housing Stock, 2000

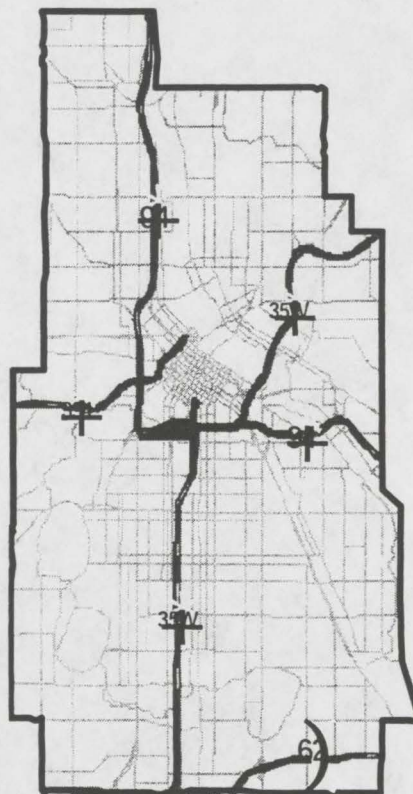
Occupied housing units	2,623
Percent change since 1990	-4.4%
Owner-occupied units	190 (7.2%)
Rental units	2,433 (92.8%)
Rental vacancy rate	2.72%

Reported Crimes, 2001

Overall crime	312
Violent crime	78
Property crime	234

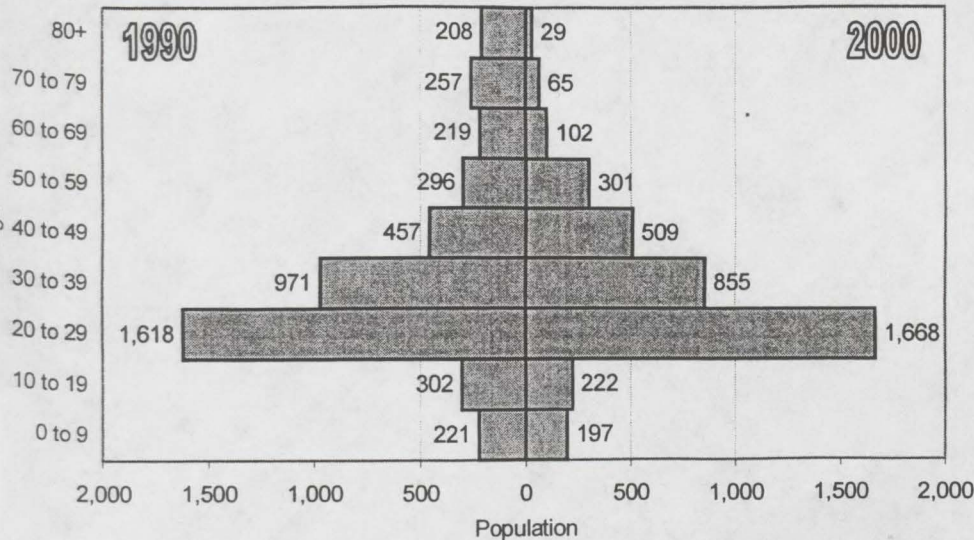
Income, 2000

Per capita income	\$20,500
Percent below poverty	20.9%



1990

2000



For more information

Profiles of other Minneapolis neighborhoods are available online at www.unitedwaytwincities.org or by calling (612) 340-7560.

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Data Sources

U.S. Bureau of the Census
Minneapolis Police Department

May 2002